

**City of Miami Beach - City Commission Workshop**  
**Commission Chambers, 3<sup>rd</sup> Floor, City Hall**  
**1700 Convention Center Drive**  
**February 18, 2004**

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Mayor David Dermer  
Vice-Mayor Jose Smith  
Commissioner Matti Herrera Bower  
Commissioner Simon Cruz  
Commissioner Luis R. Garcia, Jr.  
Commissioner Saul Gross *In at 2:36:25 p.m.*  
Commissioner Richard L. Steinberg

City Manager Jorge M. Gonzalez  
City Attorney Murray H. Dubbin  
City Clerk Robert E. Parcher

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**Times based on the digital recording in the City Clerk's Office.**

**CITY COMMISSION WORKSHOP**  
**QUALITY OF LIFE**

Meeting called to order at 2:23:47 p.m.

Jorge Gonzalez, City Manager, stated that the Quality of Life funding is the additional one cent (one percent) resort tax passed by referendum in 1992; one half goes to fund the Convention Center Hotel and the other half for Quality of Life improvements in the City. Several times during the last two years, members of the City Commission and the arts community have requested that the Administration consider a way to identify a dedicated source of funding for the arts. The Administration recommended ways to achieve this by exploring how the Quality of Life funds are distributed, and perhaps by recalculating the split, which currently is one-third for each - North, Middle and South Beach areas. The Administration suggested a formula that will allow the increase in resort taxes to create a fourth dedicated source of funding to the arts, but the procedure to accomplish this needs to be determined. He also explained that the 2003 allocation will not be spent until a decision is made at this workshop.

Patricia Walker, Chief Financial Officer, stated that these funds need to be spent in accordance with the Resort Tax Statute, Chapter 67-930 and the City Charter. A PowerPoint presentation was shown.

Commissioner Bower asked if the South Beach community has been given input on the use of funds, and when was the last time the City met with the citizens and the businesses in Middle Beach pertaining to their needs and use of the funds.

Patricia Walker, Chief Financial Officer, stated that the business section had several phases for those projects, but there has not been a meeting with the residents. There have been several community meetings in the Middle Beach area but not specifically for Quality of Life funds.

Commissioner Steinberg asked when the one-third split occurred.

Ms. Walker explained that after researching she came across newspaper articles and editorials, but no reference to a one-third split, only the 50/50.

Commissioner Bower expressed her concern about the equitable and fair distribution of funds, and added that if North Beach continues distributing their money to the community; Middle Beach and South Beach should be able to get input from their respective communities as well.

Jorge Gonzalez, City Manager, asked if the Commission wants to pursue a proposal to accomplish a dedicated source of funds for the arts, and if the existing process is to be continued. Currently, there are two processes; the way the North Beach allocates funds to the community and a different process for Middle Beach and South Beach.

Commissioner Gross stated that the purpose of this workshop is to decide if the City wants to continue using Quality of Life funds for Capital Improvement projects. He added that the homeless issue is important for the community, and yet Miami Beach is one of the few communities in Miami-Dade County that does not have a dedicated source of money for the homeless. He stated that it is not fair to use Quality of Life funds for improving maintenance and cleaning in South Beach.

Jerry Libbin, past President of the North Beach Development Corporation, spoke.

Jorge Gonzalez, City Manager, explained that when the Cultural Arts Council was created in 1996, the Interlocal Agreement with Miami-Dade County provided \$35 million of Community Development Tax money to the City to fund improvements to the Convention Center. At that time, the City Commission set aside \$10 million, and the interest earned would help to fund the arts. Because of the poor performance of the market and the interest rates going down, the amount of fund for the arts has decreased dramatically. The Capital Improvement program at the Convention Center is at a point where the \$10 million will need to be spent. The Administration continues to recommend maintaining the \$10 million principal or as close to is as possible.

Denise Katakis, Executive Director, Miami Design Preservation League (MDPL), spoke.

Ada Llerandi, Cultural Arts Council member, spoke.

Delma Iles, Artistic Director, Momentum Dance Company, spoke.

Commissioner Garcia suggested that the Administration tie the funding for the arts to the City's budget process to be able to predict how much to separate for the arts and establish an amount, perhaps a percentage of the budget, then obtain the money from different sources such as grants, resort tax, or Quality of Life funds.

Gary Knight spoke.

Roberto Datorre spoke.

David Kelsey spoke.

Dr. Morris Sunshine spoke.

Ricardo Martinez, Middle Beach resident, asked about the status of the beach walk that is obstructed due to construction at the Richmond Hotel.

Murray Dubbin, City Attorney, stated that recently the Richmond Hotel filed a complaint with the Department of Environmental Protection, complaining that the beach walk disrupted their access to the beach. The City is litigating this matter in court and is vigorously trying to complete the beach walk.

Commissioner Gross stated that some of the funding can be obtained through the Miami Beach Visitors and Convention Authority. He stated that there should be fixed categories in the Quality of Life funds since the City spends a good portion of the money on Capital Improvements. He reiterated that the homeless situation is an issue for which there should be Quality of Life funds available, since it impacts the residents.

Vice-Mayor Smith stated that the City Manager's recommendation is a fair and equitable way of creating a dedicated source of funding for the arts, and at the same time, maintaining the integrity of the structure that was promised to the residents years ago. The homeless issue should be addressed separately.

Commissioner Garcia suggested structuring this money in a similar way as the GO Bond Committee, setting up an Ad-Hoc Committee with representatives from all areas of the City that could come up with projects and discuss distribution of funds. He also explained that the money disbursement process could be structured in a similar manner as the Community Development Advisory Committee does.

Jorge Gonzalez, City Manager, stated that the growth in costs in the City's budget exceeds the growth of the revenues. If there is an unwillingness to explore revenue enhancements, then the Commission needs to think about meeting basic requirement within the resources available, and most of the costs are in personnel, which is 75% of the entire budget. He added that the Administration will summarize the discussion and will present it to the Finance and Citywide Projects Committee.

Murray Dubbin, City Attorney, announced that a Closed Executive Session is to be held following the workshop.

Meeting adjourned at 4:42:56 p.m.

Handout and reference materials:

1. Notice of City Commission Workshop Ad in The Miami Herald dated February 25, 2004
2. July 30, 2004 Afteraction, Item R7T - 12:59:51 p.m.
3. Memorandum from Murray H. Dubbin, City Attorney to Mayor David, Members of the City Commission and City Manager, Jorge Gonzalez, RE: Notice of Closed Executive Session, dated February 12, 2004.
4. Afteraction of item R8B-1 dated 10/8/92 RE: Discussion Of The Allocation Of The Proposed 1% Additional Resort Tax Proceeds For The Quality Of Life Component (Commission Memorandum No. 619-92, to Mayor Seymour Gelber and Members of the City Commission, from Roger M. Carlton, City Manager, RE: Achieving a Convention Headquarters Hotel(s), dated October 8, 1992).
5. PowerPoint Presentation titled Qualify of Life Funding, Commission Workshop, dated February 18, 2004.
6. Article published in The Miami Herald, Opinion Section, undated, titled: "Yes to resort tax increase sends a positive message."